

Jul 29, 2008

Board of Governors
Secretary Jennifer J. Johnson
Federal Reserve System
20th St. and Constitution Ave., N.W.
Washington, D.C. 20551
RE: Docket No. R-1314

Dear Board of Governors,

It is very disorienting when an individual is in need of rebuilding their credit and has a difficult time getting the process started. If the Federal Reserve Board regulates subprime credit card fees, it will become even more difficult for people like me to access credit. Without credit access, more individuals will turn to unregulated options such as payday lenders, and I need to rebuild my credit, not make things worse.

I was in need of reestablishing my credit because of unforeseen credit issues. Because I was constantly denied by prime credit card companies, I had to rely on check cashing outfits. Using this unregulated source hurt me far more than it could possibly help me. The interest that was charged was more than I could afford which caused me to use my paycheck for payment, and then I would have to borrow more money to live on. This became a very vicious cycle that I wanted desperately to get out of. Fortunately, I found CorTrust Bank and applied for a subprime credit card. I was approved and was charged a nominal fee, which I felt was worth it to be able to establish my credit again. Not only has CorTrust helped increase my credit rating, but it has been very valuable in emergency situations, such as when my son needed stitches.

After six months of maintaining my CorTrust card, I was able to apply and be approved for a prime credit card. It has been one year, and my credit rating is still improving. If this progresses, I will soon be able to become a first time homeowner. For those of us who understand the need for reestablishing credit, subprime credit cards can be a godsend. They are worth every penny of the fees that they charged. I hope that you will not allow the Federal Reserve Board to pass the law to regulate subprime credit card fees.

Thank you for your service,


Melissa A Osborne

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